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## 10. Institutions

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Institutions have been playing a role in the development of Cambridge almost from its inception. In the late twentieth century the influence of the universities and many lesser institutions is among the more central forces defining the future of Cambridge.

### Assumptions

*> The major institutions in Cambridge will continue to play an important role in the private economy of the city by stimulating the formation and development of new enterprises.*

*> As holders of large parcels of land and supporters of a large client population that places a heavy demand on the city's limited housing supply, the city's major institutions have the potential to contribute significantly to the amelioration of the housing supply and affordability problems in Cambridge.*

*> The generally positive influence of the institutions' presence in Cambridge, both socially and economically, must be weighed against the potentially negative impacts, both financial and social, of continued institutional expansion that does not adequately consider the effects of such expansion on the larger community.*

Cambridge would certainly be a different place were it not home to Harvard, the Massachusetts Institute of Technology, and the many small institutions also found here. While the relationship between the city and its institutions is generally positive, it is also dynamic. This, at times, may make the harmonization of the interests and objectives of each difficult, or in the extreme, impossible. The expansion of the research role of the universities in recent decades has spawned the growth of private enterprises which have fueled the city's commercial resurgence. The expansion of, or appearance of new, functions at those universities has produced a need for

new space and facilities which, despite a stable enrollment, has resulted or may result in the future conversion of commercial, tax paying property to institutional use. An earlier initiative of the City, in 1981, foreclosed the option for expansion into residential neighborhoods.

On the other hand the MIT -supported University Park project will provide hundreds of thousands of square feet of state of the art research and development space and hundreds of new housing units for the private market. Recent construction in Harvard Square sponsored by Harvard University, has provided additional commercial construction and many new units of affiliate housing. In many of these projects there was extensive public process by which the interests of the city and of the institution were aired and a satisfactory balance achieved. Nevertheless it is important to protect and nurture the part of Cambridge which is distinct and independent from those institutions which unavoidably mold the character of the city.

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## Institution Policies

The policies applicable to institutions as set forth here address both the broad issues related to institutional presence in the city as well as the effects of particular types of institutions on Cambridge and its residents.

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### Community Interaction

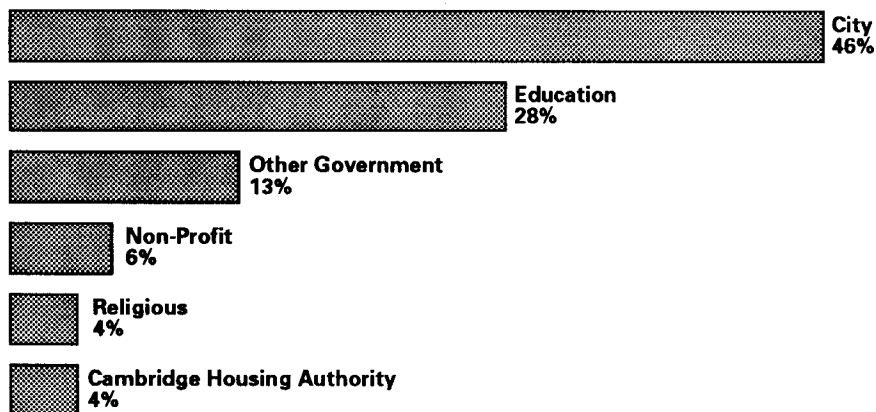
Institutions have played a role in Cambridge since the city's establishment. Starting with the founding of Harvard College in 1636, the city has become home to several hundred institutions. These include schools, universities and hospitals; city, county, state and federal governments; churches and affiliated activities; and a whole array of non profit organizations, all serving a wide range of social, cultural and economic needs. Many institutions provide direct services to the city's residents; others are located here because of the services the city and fellow institutions provide to them.

While all institutions share some common characteristics, City policies cannot treat them in a single way, due to their varying natures, missions, sizes and needs. However for all institutions, regardless of size, there is an external impact on the surrounding community which requires attention; the cumulative effect of all of those impacts may in part be positive but it may also have serious negative consequences which are felt citywide.

Institutions, of which the City is the largest, have come to own nearly one-half the land in Cambridge. The substantial amount of land owned by institutions and their varied natures give rise to special planning concerns. Growth of client populations, expanding physical plants, acquisition of property, property development and tax-exempt status are some of the sources of friction between institutions and the city's residents. From the

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### Tax-exempt area in Cambridge



city's perspective these factors combine with the competing demand for scarce land for alternate commercial development and the legal constraints to raising tax revenue to highlight the serious planning issues that arise for the future of Cambridge.

The institutions have another perspective. Policy 50 recognizes that they must maintain their competitive standing by adapting to rapidly evolving demographic, technological, and economic environments. Adaptation takes the form of both programmatic and physical changes.

Institutions must now compete within their own industries by expanding or altering their mission and by providing better services and amenities to their client populations. Cambridge Hospital, for instance, proposes to improve and expand its facilities to better serve its client population in a competitive environment where the prospective patients may choose to go to another hospital. Growth of research and other programs through grants, expansion of professional and certificate programs, and expansion of continuing education and lifelong learning all impact on support staff and physical plant.

Clearly, the policies and actions of institutions can come in conflict with the policies of the City and the needs and expectations of its residents.

Policy 49 suggests there is a strong need for dialogue between the City, its residents, and the major institutions to avoid conflict, and to achieve a healthy balance between institutional and non institutional interests. Such discussions need to take place on a variety of levels and on a variety of issues including those focused on land use, future physical and programmatic plans and community needs and concerns.

There is a need to have distinct planning processes for different types of institutions. While there are overarching planning issues that encompass all institutions regardless of size, there are also characteristics and needs peculiar to an institution that may need to be considered in a more focused planning

#### **POLICY 49**

**The City and its major institutions should engage in a formally established on-going dialogue to share concerns; identify problems, conflicts, and opportunities; and to fashion solutions and areas of cooperation to their mutual satisfaction. As part of this dialogue, each institution should create a plan describing its existing status as well as outlining its future needs and goals, and the means for achieving those goals.**



effort. While both are large operations, the needs, impacts and services to the community of universities and hospitals can be quite different.

Much work has already been done to advance these policies. The 1991 Mayor's Report on Community-University Relations calls for inclusive dialogue between universities, the community and the City; the report was developed by a citizen/university/City committee working in 1991. Another recommendation of the Mayor's Report calls for the Planning Board to review annually the plans and programmatic forecasts developed by the universities and for the City to implement the planning recommendations of the Report and the policy directions suggested in this document.

On a more localized scale, Harvard University and residents working jointly on the Riverside Neighborhood Study Committee, compiled a set of recommendations to improve the relations between that neighborhood and the University. As part of those recommendations, procedures were set forth whereby plans for future physical development by the university could be discussed. In the same way, residents from Mid Cambridge, Agassiz, Neighborhood Nine and Neighborhood Ten; representatives from the Harvard Square Defense Fund and the Cambridge Citizens for Livable Neighborhoods; the City; and Harvard University meet to discuss the University's plans and programs and their potential impact on the surrounding neighborhoods and Harvard Square.

For these dialogues to be successful, the institutions must engage in their own internal planning, identifying the specific and institutional trends which will shape the physical dimensions of their operations in the future, as Harvard University is doing with its Project 2000 and the Cambridge Hospital with its capital plan. Sharing such information as part of a frank expression of needs and priorities by the City and its neighborhoods offers the opportunity to forgo conflict in the future or to reach fruitful compromises should basic interests come into conflict.

#### **POLICY 50**

**The City should recognize the need for the major institutions to adapt and respond to changing circumstances to maintain their leadership positions in education, health care, and research while recognizing, responding to and coordinating with City policy goals.**



### Physical Expansion of the Major Institution.

#### **POLICY 51**

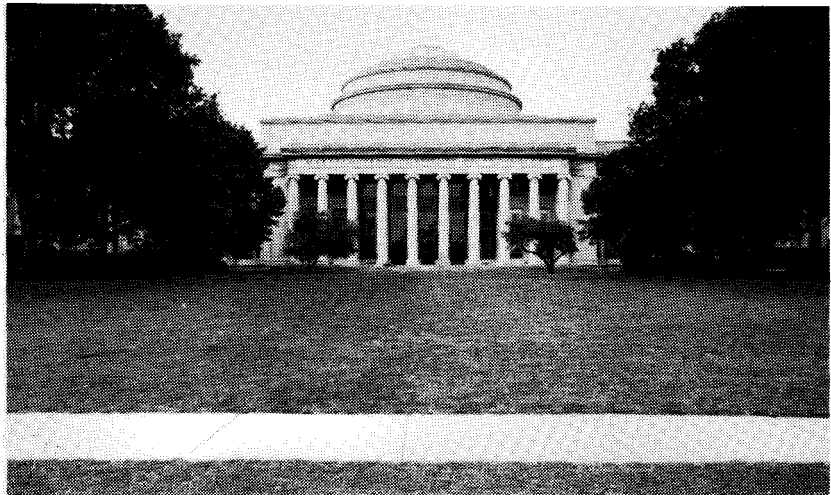
Where tax-exempt academic uses are expanded into retail corridors and squares, mixed-use development including taxable retail or other commercial development should be incorporated wherever possible, especially at street level, recognizing each retail area for its unique assets, opportunities and functions, and strengthening these aspects when expanding into such areas.

New programs and larger client populations seeking more amenities may mean additional physical growth for the major institutions in Cambridge: new operational, research and administrative buildings, housing, recreational and other support facilities. The expansion of academic functions beyond the confines of the established campuses is the preeminent source of friction between universities and their residential neighbors. Policies 57 in the land use section recommend the circumstances under which institutional expansion may be appropriate.

The City does not have the legal authority to regulate institutional uses in nonresidential districts. Nevertheless institutional activity in commercial districts can have significant impacts, particularly with regard to the potential interruption or displacement of the commercial activities which may provide services directly to the abutting neighborhoods.

Additionally, institutions may have sufficient market influence because of land ownership patterns or scale of activity to shape the character of the commercial environment present in their vicinity to the detriment of uses appealing to a more general clientele.

Policy 51 suggests it is appropriate that the City should indicate the degree to which institutional uses should be present in commercial areas and, to the extent permitted by law, ensure that the commercial character of a district not be diluted by inappropriate institutional intrusions.



### Housing

Of all the issues surrounding the physical expansion of educational institutions, one of the most sensitive is the nature of efforts to house the students and affiliates of those institutions. While the undergraduate populations enrolled in Cambridge colleges and universities has remained fairly stable throughout the 1980s, the number of graduate students and affiliates has increased.

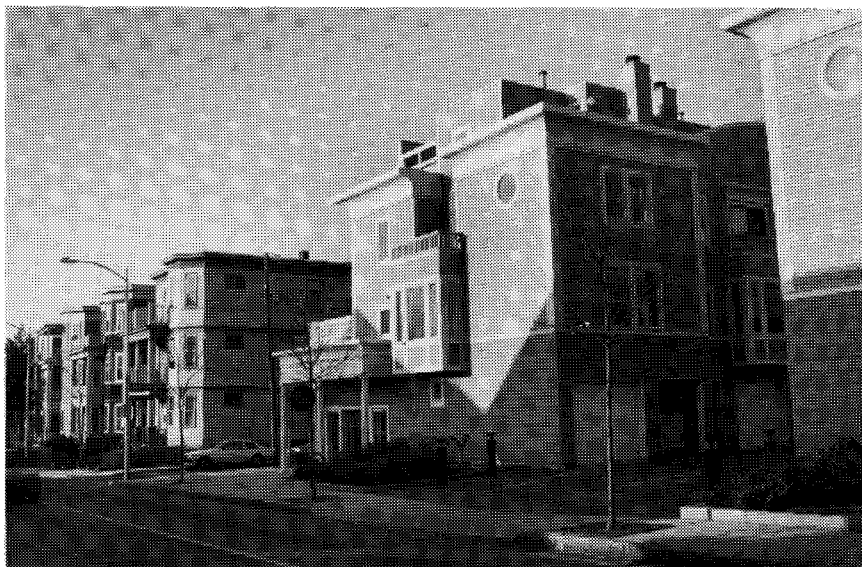
The wish of affiliates to live near their university, while desirable from many public policy perspectives (reduced commuting, involvement in their host community, etc.), nevertheless places an extra burden on an already tight housing market in portions of Cambridge where opportunities for expansion of the housing supply are very limited. Further, permanent residents of a neighborhood can come to view more transient students, when present in large concentrations, as having a destabilizing effect on their communities.

The universities recognize that problem, but also recognize from their own specific point of view the obligation to meet the housing needs of graduate students and junior faculty in order to remain attractive in a nationally competitive academic environment. The city can expect that the larger educational institutions, if out of self-interest alone, will seek opportunities to expand their housing stock in the years to come.

As holders of large parcels of land in central locations, these institutions have the potential to contribute significantly to the amelioration of demand on the city's current housing supply through new additions to that supply. However, Policy 52 encourages the schools and universities to develop that housing within existing campuses and on other land now owned by those institutions.

The policy is not meant to encourage schools to purchase additional land abutting campuses to accommodate additional physical growth. However, the institutions' and the city's interests might be served jointly, if the financial resources were harnessed to construct new housing fully integrated into residential neighborhoods, to serve the institutions' faculty and staff needs and the general, unaffiliated population as well.

*Peabody Terrace (Harvard housing for married students developed in the 1960s) towers over its neighbors. By contrast, Harvard's Concord Avenue townhouses (affiliate housing developed in the 1980s) were designed to respect the neighborhood context.*



The city's major educational institutions should be encouraged to provide housing for their respective faculties, students, and staff through additions to the city's inventory of housing units. Effective use of existing land holdings should be a tool in meeting this objective, where it does not result in excessive density in the core campus. In addition, where new housing is to be located within or abutting an existing neighborhood, it should match the scale, density, and character of the neighborhood. The institutions should be encouraged to retain this housing for client populations over an extended period of time. They should consider housing other city residents within these housing developments as a means of integrating the institutional community with city residents.



### **Preservation of the City's Tax Base**

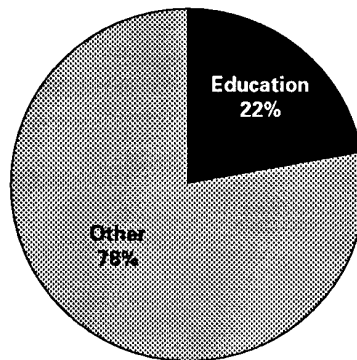
One of the most troublesome problems that expanding institutions pose for the city is the loss of property tax revenues through the conversion of private tax paying uses to tax-exempt academic uses. City services provided to the institutions, like fire protection and trash collection, increase with an expanding physical plant, while the revenues to pay for those services decrease, thus placing an additional financial burden on the city. For some institutions, a voluntary cooperative arrangement with the City to make payments in lieu of taxes (PILOT) reduces these negative tax consequences.

However, the economic impact of the large institutional presence in Cambridge is not limited to a simple calculation of the total amount of tax exempt property and the theoretical loss of tax income ascribed to that inventory.

A strong commercial and industrial economic component in the city is of course vital to the city's economic health. While only a small number of land owning institutions contribute directly to Cambridge tax income with in lieu of tax payments, and most pay nothing at all, institutions make substantial if indirect contributions to the larger private commercial economy. Institutions are a substantial source of employment in Cambridge, and are nine of our 25 largest employers; education alone provides about 23,000 jobs, or 22 percent of the total jobs available in Cambridge. Those circumstances are not likely to change in the near future.

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**Cambridge employees**



Further, institutions are, and will continue to be, a source of emerging technologies and businesses. They spawn many of the knowledge-based industries centered on software, artificial intelligence and bio-medical innovations that are establishing themselves in Cambridge today. These new companies, along with more established businesses, view accessibility to the city's institutions as among the strongest motives for doing business in Cambridge. These new enterprises will be an expanding source of jobs in the future.

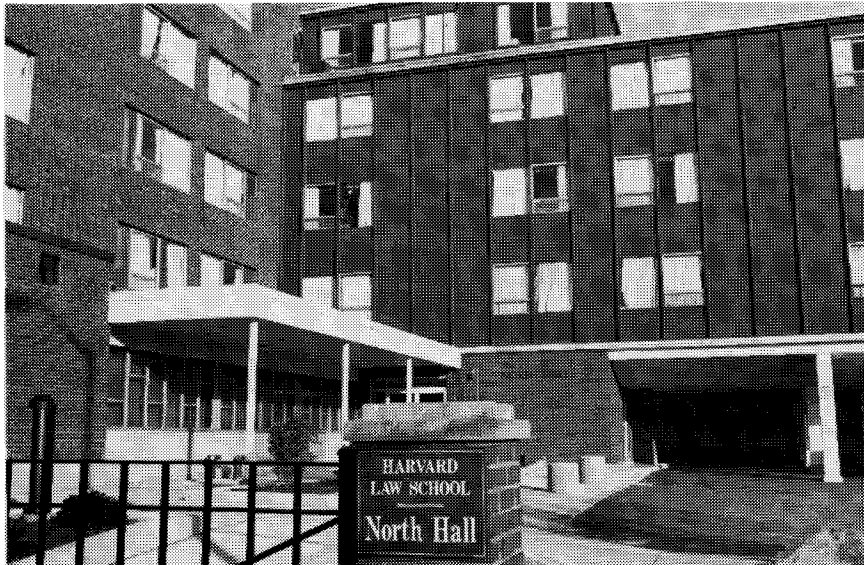
Institutions also sustain a considerable amount of related economic activity. Support businesses, including doctors' offices and medical laboratories; certain retail; and even tourism owe much to the presence of a unique inventory of institutions in the city.

Institutions should be encouraged to make maximum use of existing tax-exempt holdings in accommodating new physical and programmatic expansion.

Policy 53 recommends that any further withdrawals by the large universities from the inventory of tax paying property should be very limited and consistent with other policies outlined in this document; and in such circumstances the City should be compensated through expansion of the PILOT agreement. Participation by smaller organizations in a PILOT program might be considered as part of the conditions established when discretionary permits are required from the City to establish a new institutional presence.

#### **POLICY 53**

**Except in circumstances where further institutional growth is appropriate or beneficial to the city as a whole (see Policy 7) the city's institutions should be discouraged from creating new fiscal burdens on the City treasury through the conversion of property from tax producing uses to nontaxable uses, and should mitigate any harmful effects of such conversions through financial compensation.**



*A building formerly used as a motor inn has just been rehabilitated for use by Harvard Law School.*

## Commercial Investment

The city's large institutions are complex organizations whose traditional mission is being joined increasingly by other activities designed to enhance that core function, support the institution financially, or stabilize and enhance the noninstitutional environment abutting the core campus, in an effort to maintain and improve their competitive standing in their respective industries.

Much of this nonacademic activity is occurring in commercial and industrial areas where the institutions' efforts affect the city in ways similar to those of any private property owner. Issues of traffic, density, height and urban design arise.

However, unlike many typical development organizations the institutions are permanent citizens of Cambridge with as long a view into the future as the city itself. Policies 54 and 55 suggest that much benefit can accrue to Cambridge if that long-term view, coupled with significant financial resources, can be recruited to advance articulated City development goals as well as those of the institutions.

The comprehensive redevelopment of the former Simplex site by the Massachusetts Institute of Technology is an example. The site serves as a source of income for the Institute, and has the potential to be a place of operations for new knowledge-based businesses originating out of the Institute's academic ranks and for other commercial ventures. The site will also serve the city's interest by providing enhanced tax revenue, hundreds of housing units, a continuing source of jobs, the development of much useful open space and the physical enhancement of a significant area of Cambridgeport.

The long-term commitment the universities must make to their home city offers a unique opportunity to advance community and institutional interests when universities act as investors in private property development and management.

Successful cooperation and mutual benefit depends in part on careful articulation of public policy objectives and a frank articulation of institutional objectives as well.

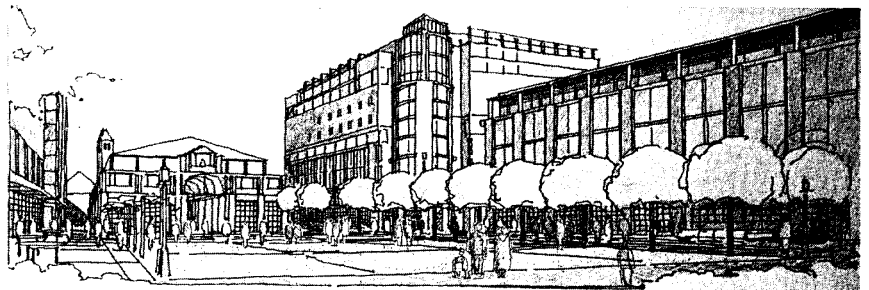
### **POLICY 54**

The institutions' capacity for commercial investment should be directed in part to assist in the transformation of evolving industrial areas and commercial districts, as defined by City policy and elaborated upon through formally established, on-going planning discussions.

### **POLICY 55**

Where major institutions invest in commercial properties, their willingness to manage those properties partly in response to broader community objectives of diversity and community need, as articulated through the continuing formal dialogue with the City and its residents, should be encouraged, consistent with the institutions' fiduciary responsibilities.

*This sketch suggests an image for the major open space that will be at the heart of University Park, which is being developed on the former Simplex site. It will be connected to the existing neighborhood by improved sidewalks and pathways.*



### **Smaller Institutions**

Smaller institutions, while not having a large effect on the city individually, do have effects which are sometimes substantial on the immediate area in which they are located. These institutions serve many functions, many of which are far removed from the daily lives of Cambridge residents; nevertheless, they contribute to the diversity of the city's cultural life and population.

The activities of the city's numerous small institutions are generally not of great concern when they occur in the nonresidential areas of the city; they are frequently merely tenants of commercial buildings not easily distinguished from any commercial operation. When their activities do generate wider impacts (traffic and parking as an instance) they are generally easily absorbed in the commercial environment that surrounds them.

When institutional activities are located in residential areas, where even modest impacts are more easily felt, Policy 56 suggests that the existing regulatory process provides an adequate opportunity to review the special circumstances that attend to each individual institution and each individual site; it also provides the opportunity to apply the policies outlined in this document where they may have relevance and provide guidance to the outcome of any regulatory process.

#### **POLICY 56**

**Recognizing the localized nature of their physical presence, the city's smaller institutions should be regulated on an individual basis as provided in the zoning ordinance's institutional regulations and as they are impacted by zoning, urban design, and other City policies.**